

Electric Sub-Committee

**03/23/2015
7:00 PM to 9:55 PM
Ipswich Utilities Office
Meeting Room
272 High Street
Ipswich, MA**

Type of Meeting Monthly meeting Open Session

Attendees: Jim Engel, Michael Schaaf, and Ed Sklarz. Bill Craft joined the meeting at 8:30 pm.
Karen Repucci (Business Manager), and Don Newell (ELD).
Gerry Cavanaugh and Chairman Charles Surpitski were absent.
Also attending Dan Rowland and Cindy Quinn, Minutes Secretary.

Agenda

Citizen queries	Chair	5
Acceptance of Minutes	Chair	5
FY 2016 Budget Discussion	Donald Newell/Karen Repucci	90
2014 Annual Report -- DPU	Donald Newell	30
Executive Session-Solar	Don Newell	30
Reliability	Dan Rowland	15
Other Business	Don Newell	10

Additional Information

Jim Engel called the meeting to order at 7:03 pm with 6 members present, and 1 other joined the meeting in progress.

Handouts: Agenda for 3-23-2015 and Minutes from 2/25/2015 (2 pgs)

Budget for ELD (2014-2016) (14 pgs)

Return of the Municipal Lighting of the Town of Ipswich FYE Dec. 31, 2014 (49 pgs)

Outage Summaries 2014 (15 pgs) and Yearly Reliability Report (5 pgs)

Utilities Indirect Cost Allocation (6 pgs) and Depreciation Cash Account Projection (1 pg)

Profit and Loss Statement (1 pg) and Capital Plan—Electric Department FY 2016 (1 pg)

MMWEC Today's News, March 20, 2015 (17 pgs)

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Abbreviations used: ATM = Annual Town Meeting BOS = Board of Selectmen ELD = Electric Light Department
MMWEC = MA Municipal Wholesale Electric Company KWH = kilowatt hour MW = megawatts O&M Operating and
Maintenance PPFA = purchase power fuel adjustments RSF = Rate Stabilization Fund RICE = Reciprocating Internal
Combustion Engine

Agenda

Citizen queries

Chair

5

Discussion: Henry Hatch and Yaniv Kalish of UGE (Urban Green Energy) are available if the subcommittee had questions about their solar project. They remained for a few minutes and left.

Conclusions:

Action items:

Person responsible:

Deadline:

Minutes

Chair

5

Discussion: There was no quorum for the minutes as Michael was not present at the previous meeting.

Conclusions: The minutes will be reviewed at the next meeting.

Action items:

Person responsible:

Deadline:

FY 2016 Budget Discussion**Donald Newell/Karen
Repucci****90**

Discussion: Don explained the Profit and Loss statement using the chart. After a discussion of the Town Hall allocations, capital projects, and funding OPEB, the group wants to revisit the allocations next Fall. KWH sales are flat now, but Don projects an increase of 1% and he compared the residential, municipal, and commercial/industrial actual usage and budgeted amounts. Total sales, including estimated costs, would go from 15MW to 16.5 MW.

Transmission rates have increased. The subcommittee reviewed some options such as FY2016 with .003 base rate increase and FY2016 with 5% discount and no OPEB as well as FY2016 without an Ops Manager. There is also an opportunity to have the Ops Manager work in Electric, Water and Wastewater. Currently G. Cavanaugh is working a few days a week but not every week, and this may become an issue for discussion in the Fall.

The budget and its revisions will be going to the BOS on April 21st. The base rate has not increased since 1982, but it was realigned in 2002. A .003 rate increase amounts to 10%. By changing the discount rate, the ELD could save \$212,000.

After giving details on the rate projection in the Depreciation Cash Account Projection, Karen described the two ½ year charges in O&M Depreciation line. In FY16, \$400,000 will go from the RSF to cover capital expenses. The transformer may not be necessary, but there could be a negative impact on O&M without the .003 increase. B. Craft arrived.

For the catalysts, ELD intends to pay back \$600,000 from PPFA over 5 years with some this year and \$120,000 each year. Monies from O&M can help support the depreciation fund. The BOS voted to authorize the catalyst project by increasing the PPFA as a loan from the RSF. The group looked at the capital plan, which has been revised. The metering system replacement is now on pace with water and wastewater. Other areas discussed include the modeling software, the capacity bank near the substation, and breaker replacements.

Further discussion centered on Wind I, underground projects, and Linebrook Road. Depending on the option chosen for Linebrook Road, Don indicated that some numbers might change. He estimated that moving telephone poles might cost between \$2500-\$3000 per pole.

Conclusions: Continue to work on the numbers for profit and loss and calculate the interest on the loan. There may need to be working groups to examine certain items in the budget. It will be important to find the National Grid agreement as the lease is nearly complete.

Action items:**Person responsible:****Deadline:**

Adjust KWH sales by 1% and revisions to Budget

D. Newell & K. Repucci

Consider an option with 5% discount + rate increase .001

D. Newell

Determine the hours, years, etc. on the bucket truck

D. Newell

Fine tune the projected profit and loss

K. Repucci

Calculate the interest on the PPFA loan

K. Repucci

Find the lease and/or ATM voting records

D. Newell

2014 Annual Report		Donald Newell	30
Discussion: The annual report from the DPU showed that the ELD did not turn a profit in 2014, due to extraordinary expenses with personnel changes. Don estimates that to be \$80,000.			
Conclusions:			
Action items:		Person responsible:	Deadline:
Present the report to BOS		D. Newell	

Executive Session--Solar		Donald Newell	30
Discussion: At 9:25 pm, B. Craft moved and M. Schaaf seconded a motion to go into executive session for the purposes of discussing negotiations and then return to open session. Roll call vote: E. Sklarz, yes; M. Schaaf, yes; J. Engel, yes; and B. Craft, yes. The vote was unanimous.			
Conclusions: At 10:36 pm, the subcommittee returned to open session.			
Action items:		Person responsible:	Deadline:

Reliability		Dan Rowland	15
Discussion: Dan summarized the power reliability and indicated that the dip in September 2014 was due to the microburst. He reported on the towns that assisted. Using the Outage Summaries reports, he was looking for vulnerabilities in the system.			
At night, he utilizes a camera to help find the hotspots that might cause problems. He talked about the thermovision camera that he uses at 6 pm when the electrical loads are high, and then he can schedule repairs based on his results. Currently, getting power into the town is good.			
On Little Neck, the electrical system was rebuilt when the sewer system was installed, and there is one transformer for 40 homes.			
Conclusions: Repairs are scheduled after determining the trouble spots.			
Action items:		Person responsible:	Deadline:

Other Business**Don Newell****10**

Discussion: Don passed out the MMWEC newsletter and spoke about the citizen's petitions on solar energy. One is about the height of solar projects and the other on the reflections off solar panels. There was a brief conversation about tidal power.

There was some discussion on the date of the next meeting (April 8th) with a working group meeting April 1st.

Conclusions:

Action items:

Set the dates for the next meeting

Person responsible:

D. Newell

Deadline:

Additional Information

The next meeting is in April. It was moved and seconded to adjourn at 10:48 pm.. Unanimous